



# WASHOE COUNTY

Integrity Communication Service

[www.washoecounty.us](http://www.washoecounty.us)

CM/ACM	<u>CV</u>
Finance	<u>KE/RA</u>
DA	<u>SH</u>
Risk Mgt	<u>DE</u>
HR	<u>n/a</u>
Other	<u>n/a</u>

## STAFF REPORT

BOARD MEETING DATE: June 27, 2017

**DATE:** Wednesday, June 14, 2017

**TO:** Board of County Commissioners

**FROM:** Tony Kiriluk, IT Manager, Technology Services Department  
775-858-5985, [tonykiriluk@gmail.com](mailto:tonykiriluk@gmail.com)

**THROUGH:** Craig Betts, Chief Information Officer, Technology Services Department

**SUBJECT:** Recommendation to approve FY 2017-2018 sole source purchases of Microsoft and Adobe licensing through joinder with National Association of State Procurement Officers (NASPO) Master Price Agreement for Software Value Added Reseller, SHI International; and recommend to approve expenditures that will aggregate to exceed [\$100,000] but will remain within available FY 2017-2018 adopted budget, not to exceed [\$600,000]. (All Commission Districts).

### SUMMARY

Technology Services regularly upgrades and modernizes equipment at the County to maintain sustainable, efficient, and effective technological infrastructure to support countywide functions. In FY 2017-2018, approved CIP and base budget funding within Technology Services ensures that SHI International, the contracted reseller for Microsoft and Adobe software for Washoe County, will aggregate to exceed [\$100,000] in purchases. Countywide expenditures with SHI for FY 2017-2018 are not expected to exceed [\$600,000].

**Washoe County Strategic Objective supported by this item:** Safe, Secure and Healthy Communities by Enhancing Community Safety Through Investing in Critical Infrastructure for Current and Future Needs

### PREVIOUS ACTION

- May 24, 2016 – approved sole source purchases of Microsoft and Adobe Licensing through joinder with the NASPO Master Price agreement with SHI International for Fiscal Year 2016-2017
- June 9, 2015 – approved sole source purchases of Microsoft and Adobe licensing through joinder with the WSCA Master Price Agreement for SHI International. For Fiscal Year 2015-2016.

- June 17, 2014 – approved sole source purchases of Microsoft and Adobe licensing through joinder with the WSCA Master Price Agreement for SHI International for Fiscal Year 2014-2015.
- May 28, 2013 – approved sole source purchases of Microsoft and Adobe licensing through joinder with the WSCA Master Price Agreement for SHI International for Fiscal Year 2013-2014.
- January 8, 2013 – approved sole source purchases of Microsoft and Adobe licensing through joinder with the new WSCA Master Price Agreement with SHI International, replacing previous WSCA contract with Dell/ASAP.

### **BACKGROUND**

Technology Services regularly upgrades and modernizes equipment at the County to maintain sustainable, efficient, and effective technological infrastructure to support countywide functions. In FY 2017-2018, the Capital Improvement Fund authorizes projects for the upgrading of desktop operating systems to Windows 10; implementation of new network security initiatives; upgrade of approximately one-third of county network switches; continuation of the conversion of county phones to Voice Over Internet Protocol (VOIP) systems; and the continuation of upgrades to countywide security cameras and door controllers; and infrastructure preservation funding supports ongoing upgrades of PCs, servers, networks, and physical security infrastructures.

In support of these projects and ongoing countywide departmental needs, multiple purchases of Microsoft software licenses and Adobe software licenses will be purchased throughout the year. The County purchases Microsoft licensing through a volume licensing program known as “Microsoft Select”. The State Of Nevada, and Washoe County join the National Association of State Procurement Officers (NASPO) Master Price Agreement to gain access to volume discounts based on a large multi-state licensing pool. The current Microsoft contract with NASPO is awarded to SHI International. Similarly, Washoe County joinders to the NASPO contract for Adobe software to obtain greater discounting levels available through these shared multi-state contracts.

Pursuant to NRS 332.115, computer hardware and software are exempt from competitive bidding requirements.

### **FISCAL IMPACT**

Expenditures for the licensing programs will exceed [\$100,000], but will not exceed [\$600,000] for FY 2017 -2018. All expenditures will remain within the available adopted FY 2017-2018 budget.

### **RECOMMENDATION**

It is recommend that the Board Of County Commissioners approve FY 2017-2018 sole source purchases of Microsoft and Adobe licensing through joinder with National Association of State Procurement Officers (NASPO) Master Price Agreement for Software Value Added Reseller, SHI International; and recommended to approve

expenditures that will aggregate to exceed [\$100,000] but will remain within available adopted budget funding during FY 2017-2018, not to exceed [\$600,000].

**POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be: "move to approve FY 2017-2018 sole source purchases of Microsoft and Adobe licensing through joinder with National Association of State Procurement Officers (NASPO) Master Price Agreement for Software Value Added Reseller, SHI International; and to approve expenditures that will aggregate to exceed [\$100,000] but will remain within available adopted budget funding during FY 2017-2018, not to exceed [\$600,000]."

**WASHOE COUNTY  
SOLE SOURCE PURCHASE REQUEST FORM**

This form must accompany a purchase requisition when sole source approval is requested for equipment, supplies or services exceeding \$25,000.

DEPARTMENT Technology Services LOCATION 1001 E 9<sup>th</sup> St., Ste. C220, Reno, NV 89512

REQUESTOR'S NAME Tony Kiriluk TELEPHONE # 775-858-5985

REQUISITION NUMBER Multiple DATE 06/05/2017

RECOMMENDED SOLE SOURCE SUPPLIER SHI International

DESCRIPTION OF GOOD OR SERVICE REQUESTED Microsoft and Adobe software licensing

I have read and understand the Policies and Procedures of the Board of County Commissioners with regard to sole source procurements. I understand that competition is the preeminent consideration in the expenditure of County funds, and I acknowledge the County's commitment to the principle of fairness to any vendor who would like to do business with the County. After observing these principles and considerations, I hereby submit that the goods, services, and/or vendor specified in the accompanying requisition fit the County's sole source criteria for the following reasons: Please provide sufficient detail to clearly identify the reason(s) for this sole source procurement request. Attach additional information if necessary.

( ) 1. The product is unique in design and/or features that are required for a specific application. List the unique features and explain why they are needed for the application the product will be used for.

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( X ) 2. The product being purchased must be compatible with existing equipment. Identify the existing equipment.

Washoe County uses Microsoft operating systems for all County PCs, and the majority of our file servers; and uses Microsoft Active Directory for network login authentication services, Microsoft Exchange for Email, Sharepoint for our internal web sites, SQL for a large number of county database applications, IIS for a large number of internet applications, and Office for desktop productivity software.

( X ) 3. The product requested is one which the user has had specialized training for. Identify who the user of this product will be and provide a description of the previous training.

County Technology Services Staff is trained and certified to support, repair, and administer Microsoft operations systems and applications; and most County Staff has been trained to use Microsoft Office products.

( ) 4. The product or service is available only from the manufacturer or their authorized representative. Identify the manufacturer or authorized representative, and provide telephone number and address information.

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( ) 5. Consultants/Subcontractors: The individual/company is the most suitable to provide the service requested and the selection process is based on the following:

( ) There is evidence that the assistance to be provided is essential and cannot be provided by persons receiving salary support within Washoe County.

( ) A selection process was utilized to select the most qualified person.

( ) The consulting charges are appropriate considering the qualifications of the consultant or company based on past experience and the nature of the work to be performed.

( X ) 6. Other. Please explain the specific circumstances and/or requirements that warrant the goods or services request to be procured from a sole source.

SHI holds the current contract for Microsoft licensing for the NASPO contract to which the County has a joinder. The County is also already signed on to a multi-year Select Contract with Microsoft under this framework agreement.

( X ) 7. The following provides justification as to reasonableness of price:

The discounts that SHI provides through the NASPO contracted pricing sets the County's discounts based on a multi-state shared volume pool; providing a far higher volume discounting percentage than the County could ever obtain as a solo entity.

I understand that I may be required to justify this sole source procurement before the appropriate authority, including the Board of County Commissioners, and that my signing this document knowing any of it to be false may subject me to administrative action.

[Signature]  
Signature of Requestor

[Signature]  
Department Head Approval  
CRAIG BETTS  
Print Name

I, \_\_\_\_\_, authorized Buyer, recommend the following:

( ) Sole source justification is adequate and exempt from competitive bidding requirements per NRS 332.115.

( ) Sole source justification is adequate to justify exemption from competitive bidding requirements per NRS 332.\_\_\_\_.

( ) Sole source justification is inadequate and request is returned to department for additional justification, instructions on whether to seek competitive bids for the goods or services requested, or to withdraw the request.

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Date

Melanie Lever, C.P.M.  
Digitally signed by Melanie Lever, C.P.M.  
DN: cn=Melanie Lever, C.P.M., ou=Purchasing  
Division, ou=Comptroller,  
email=mellever@washocounty.us, c=US  
Date: 2017.06.07 11:44:43 -0700  
\_\_\_\_\_  
Purchasing & Contracts  
Manager

June 7, 2017  
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Date